

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to Consider Smart Grid Technologies Pursuant to Federal Legislation and on the Commission's own Motion to Actively Guide Policy in California's Development of a Smart Grid System.

Rulemaking 08-12-009
Filed December 18, 2008

**Prehearing Conference Statement of the
California Independent System Operator Corporation**

The California Independent System Operator Corporation ("ISO") submits this prehearing conference statement in response to the Administrative Law Judge's Ruling Setting Prehearing Conference and Workshop on March 27, 2009 (the "Ruling"). The Ruling requests comment on, *inter alia*, whether: (1) the proceeding should be conducted in phases or whether the proceeding can resolve all issues in a single decision; and (2) there are critical dates that should guide the schedule in the proceeding. The ISO offers brief comment on these matters.

I. Proceeding in Phases or Issuing a Single Decision

For two related reasons, it seems preferable to conduct the current proceeding in several phases. First, the Commission's Order Instituting Rulemaking ("OIR") set out a broad range of topics to be addressed through this proceeding. The parties' initial comments and reply comments dealt with all of these issues. If the scope of this proceeding going forward will encompass all of the issues raised by the OIR and addressed in the parties' subsequent comments, then there is the risk of trying to address too many issues simultaneously. The second, related, reason for proceeding in phases is that many of the issues are interrelated and some issues cannot be resolved without first settling other issues. As an example, crafting a workable definition of the term "smart grid" presents a threshold inquiry that will guide the rest of the Commission's proceeding.

II. Critical Dates to Guide the Schedule

In setting the schedule, the Commission should consider two issues. First, the schedule should be set with an awareness of any critical funding deadlines under the American Recovery and Reinvestment Act of 2009. The proceeding should be completed in time for smart grid applicants to propose projects within any applicable funding deadlines. Second, to the extent smart grid projects are subject to the ISO's Transmission Planning Process, the ISO recommends coordinating the schedule in this proceeding to allow project sponsors to submit their proposal in the ISO's Request Window. Under the ISO's Transmission Planning Process, the Request Window for the 2010 planning cycle opens August 15, 2009 and closes November 15, 2009.¹ If there are immediate smart grid transmission projects that the Commission wishes to facilitate, it is important to coordinate this proceeding with the 2010 Transmission Planning Process.

Respectfully submitted,

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¹ Parties interested in submitting projects for consideration under the Transmission Planning Process are advised to visit the ISO's website (www.caiso.com) for further information. In particular, parties should review § 24 of the ISO's MRTU tariff and the Business Practice Manual for the Transmission Planning Process, *available at* <http://www.caiso.com/2024/20246de967b0.pdf>.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT ON March 23, 2009, I SERVED, BY ELECTRONIC MAIL AND UNITED STATES MAIL, A COPY OF COMMENTS OF THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION TO EACH PARTY IN DOCKET NO. R.08-12-009.

Executed on March 23, 2009
at Folsom, California

/s/ Jane Ostapovich //
Jane Ostapovich,
An Employee of the California
Independent System Operator